

Next 1 Page(s) In Document Exempt

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## INTELLIGENCE MEMORANDUM

PEKING ASSESSES THE WORLD SITUATION

DIRECTORATE OF INTELLIGENCE

Office of Current Intelligence

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CENTRAL INTELLIGENCE AGENCY  
Office of Current Intelligence  
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INTELLIGENCE MEMORANDUM

Peking Assesses the World Situation

Summary

Articles published in People's Daily on 1, 7, and 9 March take a sober view of the current "revolutionary situation" in the world. They appear to reflect high-level reviews of international events which probably began last October. The three statements are cast in a long-range historical framework. They admit that there have been setbacks to the revolutionary cause--that victory is "frequently intermingled with reverses, and advance in movements with retreat"--but argue that ultimate Communist victory is certain despite ebbs and flows in the "wavelike" course of the struggle. Peking's primary purpose in publishing these articles is probably to give the party rank and file a "correct" understanding of China's reverses around the world during the past year and perhaps also to prepare for a possible shift in the tactics but not the overall strategy of China's foreign policy.

The Chinese make no effort in these articles to offset admissions of some short-run defeats by claims of Communist success in the Vietnam war, and in fact do not mention the situation there. This subject is treated separately in broadcasts and articles which continue to assert that the US is suffering repeated defeats at the hands of the Vietnamese people despite continuous efforts to increase the strength of "imperialist" forces and to launch new "large-scale offensives." The Chinese have promised to back Hanoi "no matter what the cost" and there have been no indications that Peking is slackening its support for the North Vietnamese. In the

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context of the Vietnam war, Peking's overall analysis of the world situation appears to take new evidence of US determination into account and warn that the Communist side must buckle in for a protracted test of strength.

In short, the three articles in question are in the main stream of Chinese Communist rhetoric. They appear to reflect an attempt to cope with a problem of long standing--not a sudden realization of the need to correct a line or change a policy.

1. The recent propaganda statements on the world situation echo the line taken by Foreign Minister Chen Yi in an interview on 30 December--during which he frankly admitted that there had been trouble in "certain areas of Africa and Asia" and called for vigilance to cope with "new difficulties and setbacks" which might arise during 1966.

2. Chinese foreign policy has met with serious reverses during the past twelve months. Peking's position in Africa has deteriorated sharply. Chinese interests in South Asia suffered heavy blows in connection with the Kashmir crisis. The Indonesian coup attempt and its aftermath inflicted still further damage on Peking's position in the Far East. Chinese relations with Cuba, Peking's only important base for operations in Latin America, have reached a new low point. Moscow's post-Khrushchev tactics in the Sino-Soviet conflict have scored gains which have increased the degree of Chinese isolation in the World Communist Movement.

3. Indications of Chinese sensitivity to reverses abroad began to appear last fall. Chen Yi's violent press conference statements on 29 September appeared in part to be a truculent reaction to frustrations encountered in Peking's efforts to gain greater international influence and to promote "people's war" all over the world. Speeches at the National Day celebrations on 1 October concentrated on alleged successes achieved on the domestic scene, but pointedly gave little attention to foreign affairs.

4. An unannounced high-level party meeting apparently took place in Peking during late September and early October. The entire range of Peking's policy problems was probably discussed but the recall

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about two months later of some twenty Chinese ambassadors--most of them from posts in the Afro-Asian countries--suggests that the international outlook was a major topic at this meeting.

5. From Peking's point of view, the world situation continued to deteriorate during the period between the meeting in October and the gathering of Chinese diplomatic representatives who finally assembled in Peking in mid-December. Chen Yi's sober remarks on 30 December suggest the meeting must have been a gloomy one.

6. Peking's fortunes have continued to decline since then--the most recent blow fell about two weeks ago when Nkrumah's left-wing regime in Ghana was overthrown. The People's Daily articles published on 1, 7, and 9 March appear designed primarily to put this and earlier adverse developments in proper perspective for the party rank and file--as temporary setbacks on the long road to ultimate Communist victory.

7. The articles may also be the first tentative hint that the Chinese are considering a shift in some foreign policy tactics, perhaps toward a more flexible and pragmatic approach in areas where Peking's doctrinaire line has been unsuccessful. This possibility is suggested by an ambiguous passage which declares that when "twists and turns" appear in the course of revolution true Marxists "work out correct strategy and tactics to persevere." Liu Shao-chi and Chen Yi are planning visits to Pakistan and Afghanistan in late March and Chou En-lai may go to Rumania and Albania about the same time. These trips would provide an opportunity to explore the possibility of new courses of action.

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